

HOUSE BILL No. 1655

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-29; IC 15-3-3-18.

Synopsis: Treated ammonia tax credit. Provides that a taxpayer is entitled to a state tax credit equal to \$9 per ton for the purchase of anhydrous ammonia treated with commercial additives that render the ammonia unusable to produce methamphetamine, significantly interfere with the use of the ammonia to produce methamphetamine, or make the theft of the ammonia more difficult. Requires the state chemist to publish a list of additives that qualify for the tax credit.

Effective: July 1, 2005.

Lehe, Friend

January 19, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1655

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-29 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2005]:

4 **Chapter 29. Treated Ammonia Credit**

5 **Sec. 1. As used in this chapter, "additive" means a commercial**
6 **additive determined by the state chemist under IC 15-3-3-18 to:**

7 (1) render ammonia unusable to produce methamphetamine;
8 (2) significantly interfere with the use of ammonia to produce
9 methamphetamine; or

10 (3) make the theft of ammonia more difficult by staining,
11 dyeing, or otherwise distinctively identifying:

12 (A) the ammonia;

13 (B) the equipment or container used in the theft of the
14 ammonia; or

15 (C) the person committing the theft of the ammonia.

16 **Sec. 2. As used in this chapter, "ammonia" has the meaning set**
17 **forth in IC 15-3-2-3.**



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1 **Sec. 3.** As used in this chapter, "state tax liability" means a
 2 taxpayer's total tax liability incurred under IC 6-3-1 through
 3 IC 6-3-7 (the adjusted gross income tax), as computed after the
 4 application of all credits that under IC 6-3.1-1-2 are to be applied
 5 before the credit provided by this chapter.

6 **Sec. 4.** As used in this chapter, "taxpayer" means a person or an
 7 entity that has any state tax liability.

8 **Sec. 5.** As used in this chapter, "treated ammonia" means
 9 ammonia that has been treated with an additive.

10 **Sec. 6.** This chapter applies to taxable years beginning after
 11 December 31, 2005.

12 **Sec. 7.** A taxpayer that purchases treated ammonia is entitled to
 13 a credit against the taxpayer's state tax liability in an amount equal
 14 to the product of:

- 15 (1) the number of tons of treated ammonia purchased by the
- 16 taxpayer; multiplied by
- 17 (2) nine dollars (\$9).

18 **Sec. 8.** To receive the credit provided by this chapter, a taxpayer
 19 must claim the credit on the taxpayer's state tax return or returns
 20 in the manner prescribed by the department. The taxpayer must
 21 file with the department information that the department
 22 determines necessary to calculate the credit provided under this
 23 chapter.

24 **Sec. 9. (a)** If a taxpayer that claims a credit under this chapter
 25 is a pass through entity (as defined in IC 6-3.1-11.5-8.5) that does
 26 not have state tax liability for a taxable year against which the
 27 credit may be applied, a shareholder, partner, or member of the
 28 pass through entity is entitled to a credit equal to the product of:

- 29 (1) the credit determined for the pass through entity for the
- 30 taxable year; multiplied by
- 31 (2) the percentage of the pass through entity's distributive
- 32 income to which the shareholder, partner, or member is
- 33 entitled.

34 (b) If the amount determined under subsection (a) exceeds the
 35 state tax liability of the shareholder, partner, or member, the
 36 shareholder, partner, or member may not carry over the excess to
 37 following taxable years.

38 **Sec. 10. (a)** If the amount determined under section 7 of this
 39 chapter for a taxable year exceeds the taxpayer's state tax liability
 40 for the taxable year, the taxpayer may carry over the excess to
 41 following taxable years.

42 (b) A taxpayer is not entitled to a carryback or refund of any

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1 **unused credit.**

2 SECTION 2. IC 15-3-3-18 IS ADDED TO THE INDIANA CODE
3 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
4 1, 2005]: **Sec. 18. (a) Not later than January 1 of each year, the**
5 **state chemist shall publish a list of commercial additives that:**

6 (1) render anhydrous ammonia unusable to produce
7 methamphetamine;

8 (2) significantly interfere with the use of ammonia to produce
9 methamphetamine; or

10 (3) make the theft of ammonia more difficult by staining,
11 dyeing, or otherwise distinctively identifying:

12 (A) the ammonia;

13 (B) the equipment or container used in the theft of the
14 ammonia; or

15 (C) the person committing the theft of the ammonia.

16 (b) The state chemist shall prepare the list required by
17 subsection (a) in consultation with the state police department
18 established by IC 10-11-2-4.

19 (c) The state chemist shall provide a copy of the list published
20 under subsection (a) to the following:

21 (1) The state police department.

22 (2) The department of state revenue.

23 (d) The state chemist may adopt rules under IC 4-22-2 to carry
24 out the duties imposed by this section.

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